

ACT NINETEEN

Of the Diocesan Audit Committee

Establishment and Purpose

- 1 (a) There shall be a Diocesan Audit Committee. It shall be appointed by the Board of Trustees.
- (b) The purpose of the Audit Committee shall be to provide assurance to the Bishop and the Diocesan family that the financial affairs of the Diocese are sound and its management systems are the best possible, by providing independent oversight.

Membership

- 2 (a) The membership of the Diocesan Audit Committee shall be –
 - A Chairperson, who shall be a person with experience in financial matters;
 - Deputy Chairperson, who shall also be a person with experience in financial matters;
 - Five persons with experience and/or qualifications which are appropriate to achieving the objectives of the Audit Committee.

These members shall be appointed by the Board of Trustees and shall hold office for a period of two years and shall be eligible for re-appointment.

- (b) Ex-Officio Members: The Diocesan Bishop and Diocesan Secretary.
- (c) Co-opted Members: The Audit Committee may co-opt not more than two persons who may usefully contribute to the workings of the Committee.
- (d) A quorum of the Audit Committee shall be a majority of voting members.

Removal from Office of Audit Committee Members

- 3 The Bishop, in consultation with the Board of Trustees shall remove from office any member of the Audit Committee, who –
 - (a) becomes insolvent;
 - (b) becomes incapacitated;
 - (c) is convicted of an offence involving dishonesty;

- (d) moves out of the Diocese; or
- (e) fails to attend three (3) consecutive meetings without reason or cause to the satisfaction of the Chairperson.

Main Responsibilities and Functions of the Audit Committee

- 4**
- (a) The Audit Committee must review the Annual Financial Statements of the Diocese in respect of all Diocesan Funds and Accounts and if it considers it necessary to do so, the financial statements of any archdeaconry or parish. It may make recommendations to the Diocesan Trustees with a view to enhancing the value of annual financial statements as reporting instruments and to ensure that there are adequate internal controls in place at all levels of Diocesan life.
 - (b) The Audit Committee may also review the Central Fund Budget of the Diocese and make recommendations to the Diocesan Trustees and Diocesan Council.
 - (c) The Audit Committee must monitor and analyse the management and accounting practices operating in the Diocese, at Diocesan, archdeaconry and parish levels and must report its findings in the Annual Report referred to in Section (3) of this Act. It must make recommendations for any improvements or changes it considers necessary.
 - (d) The Audit Committee must make any recommendations that will improve the administration of the Diocese, including, but not only, management practices, data security, appropriate training, adherence to generally accepted accounting principles, and sound procurement processes.
 - (e) The Audit Committee must make recommendations as to the appointment of external auditors and their remuneration and must liaise with the external auditors with regard to their audit and other relevant matters.

Access to Records and Oral Evidence

- 5**
- The Audit Committee has the right to have access to and may call for any record or document or oral evidence, which in any way affects the finances, property and/or efficient administration of the Diocese, an archdeaconry, a parish or any institution, society or organisation whose activities impact upon Diocesan finances or property.

Reporting

- 6**
- (a) The Audit Committee must make an annual report, which must be

tabled in Synod, Diocesan Council and the Diocesan Board of Trustees.

Such report should cover any matter relating to financial and/or asset management at any level in the Diocese which has come to attention of the Committee. Where appropriate, the report should recommend remedial action.

- (b) The Audit Committee has the right to address, or make a written report to –
- Synod;
 - Diocesan Council;
 - Diocesan Board of Trustees;
 - an Archdeaconry Council;
 - an Archdeaconry Finance and Property Committee;
 - a Parish Council or committee thereof;
 - a Parish Executive;
 - any Committee or similar body created under the Acts of the Diocese;
 - the Governing Body/Trustees of a Diocesan Institution/Trusts;
 - the external Auditors; or
 - a meeting convened by the Bishop, either specifically for that purpose or for any other purpose(s).

Meetings

- 7** (a) The Audit Committee must meet at least three times during the financial year, at such times as is necessary to carry out its mandate.
- (b) If there is no quorum the meeting shall be adjourned.
- (c) If the Chairperson is absent the Deputy Chairperson shall chair the meeting: If both the Chairperson and Deputy are absent the members shall elect a Chairperson for that meeting from among themselves.
- (d) Minutes of every meeting shall be kept. The Diocesan Secretary shall provide a secretariat.

Sub-Committees

- 8** The Audit Committee may appoint sub-committees by resolution. A resolution appointing a sub-committee must stipulate its membership, its terms of reference and the reporting requirements for that task. A sub-committee may include persons other than the members of the Audit Committee, but the chairperson of the sub-committee must be a member of the Audit Committee.

Bylaws and Audit Charter

- 9** (a) The Audit Committee may recommend to the Bishop, the issue of Bylaws aimed at the efficient administration of the Diocese, including the amplification of its own functions and procedures, in order to achieve the objectives of this Act.
- (b) One such Bylaw shall embody the Audit Charter of the Diocese, which shall be approved by the Bishop in consultation with the Diocesan Council.

Independence

- 10** The Audit Committee and its members shall be characterised by its independence and integrity and no member shall use his/her position to advance his/her private, archdeaconry or parochial interests.